

DD/A 76-2251

29 April 1976

NOTE FOR: Director of Personnel

Sometime ago I asked Frank to do some research on EP grades in CIA -- how we got to where we are and what authority we have to change.

You'll see from the attached that we have been in regular contact with OMB on the matter of EP grades and -- in particular -- who should have them. Unfortunately, DCI action during the last supergrade exercise set up some EP's without such contact.

My point in raising this now is to suggest that before we set up anything for the IC Staff in the EP area, we should be in touch with OMB -- at least to let them know what we are doing, if not to obtain their formal concurrence. There is also some merit to putting all of this -- supergrades and EP's for the IC Staff -- into a letter from the DCI to the President -- Should be consistent with new DCI charge, but the record will show we advised the President.



DD/Pers

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Approved For Release 2002/11/04 : CIA-RDP79-00498A000600010049-1

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

*DD/Pers/Pvc*

EXTENSION

NO.

DATE

*18 Feb 76*

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. *DD/Pers* **19 FEB 1976**

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*Bew -**PMED has completed a review of the history of the Executive Pay partitions and allowances.**As noted by C/PMED, there does not appear to have been any correspondence with OMB since Aug 1973 as regards use of the EP allowances.**Last year as you recall, Oliver (OMB) indicated an early interest in requiring justifications for our EP's as well as the SG's but dropped his interest. This may well be on OMB's agenda in the future.*

STATINTL

FORM  
3-62

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Approved For Release 2002/11/04 : CIA-RDP79-00498A000600010049-1

11 MAY 1976  
DRAFT

The Honorable James T. Lynn  
Director, Office of Management  
and Budget  
Washington, D.C. 20503

Dear Mr. Lynn:

In my dual statutory role both as Director of Central Intelligence and the Executive Head of the Central Intelligence Agency, I have studied the recommendations of the Rockefeller Commission Report to the President on CIA Activities Within the United States, as well as those recommendations issued by the Select Committee to Study Governmental Operations With Respect to Intelligence Activities, United States Senate. Both of these documents contain recommendations designed to increase the management expertise as well as to increase and intensify the level of supervision given to matters within the Intelligence Community and the Central Intelligence Agency. In addition to those documents, I have also studied the contents of Executive Order 11905, United States Foreign Intelligence Activities, of 19 February 1976. That document also discusses more managerial control and supervision within the Community and the several agencies.

We are now in the process of implementing many of the provisions of Executive Order 11905, as well as the recommendations of the Rockefeller Commission and the Senate Select Committee. It is in connection with those activities that I now write you and request a revision in the number of Executive Pay positions, the incumbents of which support me in my dual role.

2. Both the Rockefeller Commission and the Senate Select Committee made recommendations relative to the role and stature of the Central Intelligence Agency's General Counsel. The Rockefeller Commission's Recommendation 10(b) proposed that "consideration should be given to measures which would strengthen the Office's (i.e., Office of General Counsel) professional capabilities and resources..." The Senate Select Committee specifically proposed in Recommendation 66 of their final report dated April 26, 1976, that "the General Counsel should be promoted to, and the Inspector General should continue to hold executive rank equal to that of the Deputy Directors of the CIA." The current grade assigned to the position of General Counsel is EP-05 and, for the aforementioned reasons, I wish to upgrade it to EP-04, such rank being held by the Deputy Directors of CIA.

The Intelligence Community Staff has had its responsibilities greatly enlarged by the provisions of Executive Order 11905. Executive Order 11905 created two Deputy Directors under the DCI - a Deputy DCI for the Central Intelligence Agency and a Deputy DCI for the Intelligence Community (DDCI/IC). Both of these Deputies will be Presidential appointees. Proposed legislation to amend the National Security Act of 1947 to provide for the two Deputy concept is being submitted to the Office of Management and Budget (OMB) by separate letter. These positions will be coequal in scope and responsibility and will need to be graded at the same level - EP-03. Only the Agency Deputy is so graded at this time.

While the Deputy DCI for CIA will be assisting the DCI in managing CIA, the Deputy DCI for the Intelligence Community will be assisting him in supervising and managing the Intelligence Community.

New and enlarged responsibilities for the Deputy DCI for the Intelligence Community are spelled out in the Executive Order. Principal among these is the requirement to be the principal staff arm of and to provide support to the Committee on Foreign Intelligence (CFI) in:

Controlling budget preparation and resource allocation for the National Foreign Intelligence Program.

Establishing policy priorities for the collection and production of national intelligence.

Establishing policy for the management of the National Foreign Intelligence Program.

Providing guidance on the relationship between tactical and national intelligence.

Providing continuing guidance to the Intelligence Community in order to ensure compliance with policy directions of the NSC.

In addition, the Deputy DCI for the Intelligence Community will act for the DCI and exercise authorities and responsibilities delegated to him by the DCI as he may designate. Some of these responsibilities include:

Serving as Vice Chairman of the National Foreign Intelligence Board (USIB follow-on).

Supervision of the Chairmen of DCI Committees (former USIB Committee Chairmen).

Acting in the DCI's behalf on CFI matters.

Serving as Acting DCI in the DCI's absence as the DCI may designate.

Supporting the DDCI/IC will be an Associate Deputy, currently assigned an EP-05 rating. It is desired to raise this to the EP-04 level. The Associate Deputy will be appointed by the DCI and will be responsible for assisting the Community Deputy in the discharge of his responsibilities cited above and in the supervision and management of the Intelligence Community Staff. He will act for the Community Director in his absence and will perform such other functions as may be designated by him. He will be the immediate supervisor of three Office Directors (two EP-05's and one GS-18), the IC Staff Executive Officer, the CFI/NFIB Executive Secretary, and Special Assistants to the Deputy DCI/IC.

Reporting directly to the Associate Deputy and Deputy DCI/IC will be the Director of the Office of Performance Evaluation and Improvement for which an EP-05 grade is requested. This is a new position which will support the Deputy DCI/IC and the DCI in exercising their responsibility for evaluating and improving the performance of national foreign intelligence activities and programs. His principal functions include:

Developing, maintaining, and implementing requirements systems for collection and production of national intelligence.

Conducting studies and assessments of collection and production performance of the Intelligence Community.

Assessing the responsiveness of Intelligence activities, projects and systems to consumer and user needs.

Evaluating and improving the mechanism by which collection and production requirements are established, prioritized, and tasked.

In concert with the Office of Program and Budget Development, supporting the NFIP program decision making process of the DCI and the CFI, primarily through assessments and evaluations of collection and production activities.

Supporting the national foreign intelligence policy decision making process of the DCI and the CFI, in concert with the Office of Policy and Plans.

Performing assessments of the utility and value of collection and production within the Intelligence Community.

Evaluating and improving the mechanisms and procedures by which national intelligence is collected and produced.

The Director, OPEI, will directly supervise four GS-18 division chiefs and one GS-17 staff chief. These include a SIGINT Division, Imagery Division, Human Resources Division, Production Assessment and Improvement Division and an Integration Staff. The SIGINT, Imagery, Human Resources Division Chiefs also will serve as Chairmen of the three DCI Committees (former USIB) concerned with collection activities in their respective functional areas. Staff support for these Committees will be provided by OPEI. The Director, OPEI, assisted by the Integration Staff, will be responsible for looking across the board at collection activities to seek trade-offs where possible and optimize their use in areas where they promise the highest potential return.

In summation, then, I request you approve an EP-03 grade for the Deputy DCI for the Intelligence Community (DDCI/IC), and an EP-04 grade for both the Associate Deputy DCI for the Intelligence Community and the General Counsel of the Central Intelligence Agency, and establish a new EP-05 position for the Director of the Office of Performance, Evaluation and Improvement

Sincerely,

George Bush  
Director



Assessing the responsiveness of intelligence activities, projects, and systems to consumer and user needs.

Evaluating and improving the mechanism by which collection and production requirements are established, prioritized, and tasked.

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In summation, then, I plan to approve an EP-03 grade for the Deputy DCI for the Intelligence Community, and an EP-04 grade for both the Associate Deputy DCI for the Intelligence Community and the General Counsel of the Central Intelligence Agency, and establish a new EP-05 position for the Director of the Office of Performance, Evaluation and Improvement. I ask for your concurrence.

Sincerely,

George Bush  
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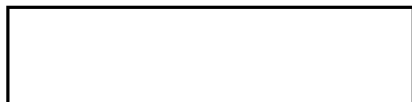
Sincerely,

  
George Bush  
Director

SUBJECT: Letter to Director/OMB from the Director Requesting  
Revision in the Number of Executive Pay Positions

ORIGINATOR:

STATINTL



John F. Blake  
Deputy Director  
for  
Administration

11 MAY 1976  
(Date)

Distribution:

Original - Adse  
1 - DCI Signing Official  
1 - DDCI  
1 - ER  
1 - Comptroller  
1 - D/Personnel

19 May 1976

## Executive Pay Positions

<u>Incumbent</u>	<u>Grade</u>	<u>Date of Grade</u>
Bush, George	EP-02	30 January 1976
Walters, Vernon A.	EP-03	2 May 1972
Duckett, Carl E.	EP-04	20 April 1967
Proctor, Edward W.	EP-04	15 May 1971
Blake, John F.	EP-04	3 August 1974
Chamberlain, Donald P.	EP-04	9 November 1975
[REDACTED]		
Wells, William	EP-04	15 May 1976
Walsh, Paul V.	EP-05	17 September 1972
Blee, David	EP-05	24 August 1973
Stevens, Sayre	EP-05	9 June 1974
McMahon, John	EP-05	3 August 1974
Carver, George	EP-05	13 April 1975
Ernst, Maurice	EP-05	13 April 1975
Knoche, Enno H.	EP-05	14 September 1975
Bohrer, Charles A.	EP-05	9 November 1975

[REDACTED]		
Meyer, Cord, Jr.	EP-05	9 November 1975
Shackley, Theodore G.	EP-05	9 November 1975

19 May 1976

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
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<b>OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Comptroller	11/5	J
2	Room 4E-38		
	Headquarters		
3			
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
<b>Remarks:</b>  Jack:  Per our telephone conversation of 10 May, I am forwarding the attached draft letter to Lynn for your review and/or comments. Also attached is a soft file pulled together by the Office of Personnel on "Executive Pay Actions Within the Agency".  <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px auto;"></div> <i>Please phone me when you receive this</i> 2 Atts <div style="text-align: right;">John F. Blake</div>			
<b>FOLD HERE TO RETURN TO SENDER</b>			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
DD/Administration			5/11/76
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